

Message Text

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ACTION EA-12

INFO OCT-01 EUR-12 ISO-00 CIAE-00 DODE-00 PM-05 H-01

INR-07 L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02

SS-15 USIA-06 ACDA-12 IO-13 EB-08 TRSE-00 COME-00

OMB-01 /105 W

-----039402 180753Z /20

R 180400Z JAN 78

FM AMEMBASSY VIENTIANE

TO SECSTATE WASHDC 8907

INFO AMEMBASSY BANGKOK

AMEMBASSY PARIS

AMCONSUL HONG KONG

AMCONSUL UDORN

CINCPAC

C O N F I D E N T I A L SECTION 1 OF 2 VIENTIANE 0067

CINCPAC FOR POLAD

E.O. 11652: GDS

TAGS: PGOV PDIP PINT PINS LA

SUBJECT: INITIAL ASSESSMENT OF THE LAO SITUATION

SUMMARY: THE FOLLOWING THINK PIECE IS BASED ON THE CHARGE'S INITIAL IMPRESSIONS AFTER A MONTH IN VIENTIANE. HE CONCLUDES THAT THE CITY HAS NOT CHANGED MUCH AND THAT NO ONE ENTITY CONTROLS LAOS. THERE IS LITTLE POPULAR SUPPORT FOR THE LPDR, AND THE MUCH-DISCUSSED LAO "LAZINESS" IS REALLY A PRODUCT OF LOW CAPITAL INPUTS AND LACK OF AN ENTREPRENEURIAL ATMOSPHERE. THE RELATIVE SUCCESS OF AMERICA'S FRIENDS AND ALLIES IS CONTRASTED WITH THE FAILURES OF COMMUNIST REGIMES. ANY SATISFACTION OVER THIS EAST ASIAN SCORECARD IS TEMPERED, HOWEVER, BY THE REALIZATION THAT NO ONE KNOWS WHAT THE VIETNAMESE WILL DO WHEN THEY REALIZE THEIR FUNDAMENTAL ECONOMIC AND SOCIAL FAILURE. END SUMMARY.

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1. I HAVE NOW BEEN AT POST A MONTH AND HAVE MADE MOST OF MY OBLIGATORY COURTESY CALLS. IT MIGHT THUS BE USEFUL TO SET DOWN MY INITIAL IMPRESSIONS OF THE SITUATION IN LAOS AND ITS RELATIONSHIP TO THE BROADER EAST ASIAN SITUATION. THESE OPINIONS MAY WELL CHANGE AS TIME PASSES, BUT PUTTING THEM DOWN WILL PROVIDE A RECORD OF

THE POSITIONS FROM WHICH LATER IDEAS WILL DEVELOP.

2. LAOS DOES NOT SEEM TO HAVE CHANGED ALL THAT MUCH SINCE I LEFT OVER FIFTEEN YEARS AGO. MY CURRENT VANTAGE POINT IS RESTRICTED TO VIENTIANEN BUT I GET THE IMPRESSION THAT EVEN THOUGH THERE MAY HAVE BEEN SIGNIFICANT CHANGES IN THE INTERVENING YEARS, THINGS HAVE SLIPPED BACK TO ABOUT WHAT THEY USED TO BE. THERE ARE SOME NEW BUILDINGS IN TOWNN BUT THE NUMBER OF SHOPS AND THE LEVEL OF BUSINESS ACTIVITY IS LESS. THE OVERALL IMPRESSION IS OF A CITY WHOSE SIZE AND ECONOMY ARE THE SAME AS OR SLIGHTLY LESS THAN IN 1962.

3. ON A MORE ABSTRACT PLANE, LAOS STILL IMPRESSES ME, AS IT DID FIFTENN YEARS AGO, AS A COMPLETELY ARTIFICIAL NATION. ETHNICALLY, LINGUISTICALLY, AND CULTURALLY, THE LAO ARE PART OF THE THAI ETHNIC GROUP, AND IN PARTICULAR, THEY ARE PART OF THE THAI-LAO SUB-GROUP MOST OF WHOSE MEMBERS LIVE IN NORTHEAST THAILAND. LAOS EXISTS ONLY AS A RESULT OF FRENCH COLONIAL EXPANSION AND AS A RESULT OF BANGKOK'S WEAKNESS IN THE FACE OF THAT EXPANSION IN THE LATE NINETEENTH CENTURY. LAOS IS STILL SEPERATED FROM ITS NATURAL COMPATRIOTS AS A RESULT OF GENERAL INTERNATIONAL ACQUIESCENCE AND, MORE PARTICULARLY, OF VIETNAMESE POWER.

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4. IT IS COMMONLY ACCEPTED IN THE WEST THAT VIET NAM CONTROLS LAOS-- THAT LAOS IS A VIETNAMESE PROVINCE. I THINK IT IS MORE ACCURATE TO SAY THAT NO ONE ENTITY REALLY CONTROLS ALL LAOS. THE LAO GOVERNMENT IN VIENTIANE CERTAINLY DOES NOT. WE HAVE HEARD THAT THERE ARE SOME ENERGETIC PROVINCIAL GOVERNORS-- WE DO NOT KNOW WHO OR WHERE THEY ARE-- BUT WE ALSO RECEIVE CONTINUED REPORTS OF DISSIDENCE, EVEN ARMED DISSIDENCE. IT IS GENERALLY ACCEPTED THAT THE CHINESE ARE THE DOMINANT INFLUENCE IN NORTHERN LAOS AND THAT THE VIETNAMESE, ACTING THROUGH RESIDENT TROOPS AND ADVISORS, PLAY THE PRIMARY ROLE IN THE EASTERN AND SOUTHERN PARTS OF THE COUNTRY. RUSSIANS ARE NUMEROUS IN VIENTIANE, BUT IT IS DIFFICULT TO SAY HOW INFLUENTIAL THEY ARE OUTSIDE OF THE SPECIFIC FUNCTIONAL AREAS, SUCH AS AVIATION, WHERE THEY PLAY AN IMPORTAANT ROLE.

5. I HAVE BEEN STRUCK SINCE COMING HERE BY THE FEW SIGNS OF ANY POPULAR SUPPORT AMONG THE ORDINARY PEOPLE VIENTIANE FOR THE CURRENT LAO REGIME. THE LAO ARE NORMALLY UNDEMONSTRATIVE, BUT AS I REPORTED AT THE TIME, I FOUND SOUPHANOUVONG'S WELCOME HOME "CEREMONY" AFTER

HIS TRIP TO CAMBODIA ALMOST SPOOKY. THERE STILL SEEMS TO BE SOME ENTHUSIASM FOR THE WEEKEND WORK PROGRAM AMONG THE YOUNG, BUT SOME OF THIS SEEMS FORCED AND MUCH OF IT COULD BE SIMPLY THE NORMAL ENTHUSIASM OF YOUNG PEOPLE FOR A DAY'S OUTING WITH THEIR FRIENDS.

6. THERE IS A WIDELY HELD OPINION , ESPECIALLY AMONG MY EASTERN EUROPEAN COLLEAGUES, THAT THE LAO ARE NATURALLY LAZY AND MAKE VERY BAD SOCIALISTS. THEY MAY INDEED BY BAD SOCIALISTS-- I THINK MOST PEOPLE ARE-- BUT THEIR "LAZINESS" I THINK IS THE NATURAL RESULT OF LIVING FOR CENTURIES IN AN ENVIRONMENT WHICH WILL USUALLY YIELD A A BASIC LIVING WITHOUT TOO MUCH SUSTAINED EFFORT BUT WHICH WILL NOT YIELD MUCH MORE WITHOUT LARGE INPUTS OF
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CAPITAL, WORK, POLITICAL STABILITY, AND AN ATMOSPHERE FAVORING THE ENTREPRENEUR. PROOF THAT THE LAO ARE WILLING TO SUPPLY THE WORK WHEN THE CAPITAL, POLITICAL STABILITY AND ENTREPRENEURIAL ATMOSPHERE ARE PROVIDED IS SEEN IN NORTHEAST THAILAND. THERE IS NO DIFFERENCE BETWEEN THE LAO AND THE NORTHEAST THAI, BUT THERE IS A VAST, IMMEDIATELY APPARENT DIFFERENCE BETWEEN, FOR EXAMPLE, UDORN AND VIENTIANE. UDORN HAS ENJOYED STABLE ADMINISTRATION FOR THE PAST 75 YEARS, AND IN THE PAST TWENTY YEARS IT HAS HAD CAPITAL INPUTS IN THE FORM OF

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CINCPAC

C O N F I D E N T I A L SECTION 2 OF 2 VIENTIANE 0067

CINCPAC FOR POLAD

THE NORTHEAST ROAD NET AND USAF SPENDING. EVEN WITH DEPARTURE OF AMERICAN AIRMEN, THE TOWN IS STILL ON A WILD, RUNAWAY BOOM BY VIENTIANE'S STANDARDS. THE THAI-LAO ARE BUSY, THEY ARE MAKING MONEY, AND THEY SEEM QUITE WILLING TO WORK.

7. THESE OBSERVATIONS LEAD TO A MORE GENERAL OBSERVATION WITH RESPECT TO THE EAST ASIAN REGION AS A WHOLE. A LIST OF THE PROSPEROUS COUNTRIES OF THE REGION, THE ONES WHICH HAVE SHOWN MARKED ECONOMIC DEVELOPMENT-- JAPAN, THE ROK, THE ROC, THAILAND, MALAYSIA, SINGAPORE, AND EVEN, TO SOME EXTENT, INDONESIA-- IS THE SAME AS THE LIST OF COUNTRIES WHICH HAVE WORKED WITH THE UNITED STATES AND WHICH HAVE WELCOMES OUR INFLUENCE, ADVICE, AND COOPERATION. A LIST OF THE POORER COUNTRIES OF THE REGION, THE ONES WHO APPEAR TO BE GIVING THEIR PEOPLE LITTLE OR NOTHING IN THE WAY OF ECONOMIC IMPROVEMENT--
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NORTH KOREA, THE PRC, VIET NAM, CAMBODIA, LAOS, AND BURMA-- IS THE SAME AS THE LIST OF COUNTRIES WHICH HAVE TURNED THEIR BACK ON US OR EVEN FOUGHT US. WE HAVE THE RECIPE FOR ECONOMIC DEVELOPMENT AND INDIVIDUAL BETTERMENT IN EAST ASIA, NOT THE COMMUNISTS.

8. THIS BASIC FACT CAN BE OF ADVANTAGE IN OUR DEALINGS WITH EAST ASIAN NATIONS. IT MEANS THAT WE NEED NOT BE DEFENSIVE IN OUR APPROACHES, AND IT MEANS THAT THERE IS REALLY NO NEED FOR LAVISH POT-SWEETENERS IN OUR APPROACHES TO EAST ASIAN GOVERNMENTS. THEY HAVE AMPLE EXAMPLES OF WHAT BECOMES OF COUNTRIES WHICH CHOOSE TO REJECT OUR FRIENDSHIP.

9. THERE IS A DARK SIDE, HOWEVER, TO THIS GENERALLY FAVORABLE U.S. POSITION IN EAST ASIA. ONE MORE IMMEDIATELY APPLICABLE TO THE PART OF THE WORLD ON WHICH THIS EMBASSY IS RESPONSIBLE FOR REPORTING. THE QUESTION ARISES AS TO WHAT THE VIETNAMESE WILL DO WHEN THEY REALIZE OVER THE COMING MONTHS AND YEARS THAT THE POLITICAL AND ECONOMIC FORMULAS THEY HAVE CHOSEN SIMPLY DO NOT WORK AS WELL AS THOSE CHOSEN BY THEIR NEIGHBORS, PARTICULARLY THAILAND. WILL THEY TAKE THE LONG VIEW,

STICK TO THEIR DISFUNCTIONAL IDEOLOGICAL GUNS, AND HOPEFULLY SINK INTO THE STAGNATION AND INEFFECTUALITY OF, FOR EXAMPLE, BURMA? OR MORE LIKELY, GIVEN THEIR RECORD OF AGGRESSIVENESS, WILL THEY STEP UP THE PRESSURE AND EVEN GO SO FAR AS TO CONSIDER THE POSSIBILITY OF STAVING OFF FAILURE THROUGH A CONVENTIONAL MILITARY ATTACK ON THEIR NEIGHBORS? THE CURRENT FIGHTING ALONG THE VIETNAMESE-CAMBODIAN BORDER IS A NOT PARTICULARLY CHEERFUL CASE IN POINT, NOR ARE THE JANUARY 3 REMAKRKS OF THE BELGIAN AMBASSADOR TO HANOI (VIENTIANE 0036).
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10. EMBASSY VIENTIANE HAS NO ANSWERS TO THESE QUESTIONS. WE POST THEM SIMPLY AS THINGS WHICH SHOULD BE THOUGHT ABOUT, AND WE WOULD RECOMMEND THAT A CLOSE WATCH BE KEPT NOT ONLY ON THE EVOLVING SITUATION IN SOUTHEAST ASIA, BUT ALSO ON THE DOMESTIC U.S. POLITICAL MOOD WHICH WILL PLAY SUCH AN IMPORTANT ROLE IN DETERMINING WHAT OUR REACTION CAN AND SHOULD BE.
ROBERTS

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